

When the going gets tough, the tough keep marketing

Whenever the state of the economy comes into question, the tightening of the purse strings could be seen as an entirely natural business reaction.

Unfortunately, often, it is the marketing budget that's first to fall victim to such a reaction.

Business Intelligence from McKinsey & Co and the Financial Times advocates the importance of marketing through challenging times.

Something I've proven first-hand – successfully guiding several industrial brands – large and small, through not one, but two recessions – in 1994 and 2008 respectively.

So, here are some of the lessons I learnt, to help you navigate through these tough times...



1. When times are tough! Focus on YOUR sales battle, not the economic war!

With talks of one crisis or another all over the media, it's easy to get dragged into discussions about the state of the economy, and the likelihood of a recession.

However, the economy is made up of many markets, all performing at different rates.

And remember, news outlets and business journalists are harbingers of doom – it makes interesting copy.

So don't think too hard about the economy.

Always pay attention to THE market but be totally focused on YOUR market.

And, when I say YOUR market, I'm talking about those customers that generate YOUR sales and YOUR revenue.

And to put a positive spin on the situation...

Downturns present an opportunity to deepen relationships with loyal customers.

Many businesses obey the 80/20 rule.

If this is roughly you, make sure you know which 20% of your customers are delivering 80% of your sales, and keep them sweet!

Keep existing customers SOLD, and prospective customers INTERESTED.

Customer behaviour changes when times are tough, therefore, make sure you know what's important to them now!

REMEMBER: *“Customers don't stop spending when the market goes through down cycles. They just look harder for value!”**

*Kevin Roberts (Saatchi & Saatchi)

Can you add customer value without dropping prices?

Can you add customer value without increasing costs?

Take, for instance, markets suffering from supply chain issues due to COVID, Brexit and the war in Ukraine.

Product **'AVAILABILITY'** now trumps **'AFFORDABILITY'** as a powerful customer promise – especially in sectors where projects are working to a deadline.

Do your research! What works for you may also work for your competitors, so make sure you're aware of what they are offering.

Be ruthless in your evaluation – take off those rose-tinted glasses.



2. When times are tough...is it time to stop advertising?

As input costs rise across the business, and customers become more reserved in their spending, a review of your company's financial health is inevitable...it's good business-sense!

With other areas of the business already feeling the strain, often the marketing budget is an easy target for your finance department to slash.

But, while achieving short-term relief from your Finance Director's wrath, this could prove costly to longer-term business success. Here's why...

***"When times are good, you should advertise.
When times are bad, you MUST advertise!"***

Share-Of-Voice (S.O.V.): the percentage exposure of brand advertising that your customers see/hear versus the competition.

Why is this an important metric?

Because there are considerable empirical studies – clear evidence that proves that share-of-voice is directly related to the perceived quality of a product offering.

In B2B sales, **QUALITY** also means the degree of **RISK** associated with purchasing a particular brand.

Strong brands deliver strong sales/profits...

And a good indicator of financial strength and brand security is to continue advertising in a depressed market.

Again, it makes good sense, the louder your shout, the more likely your customers will hear and respond to your brand messages.

So why, when times are tough, and there's pressure on sales, do many think this is a good time to stop advertising, to stop being heard – often before a drop in sales revenue is seen?

All you are doing is playing into your competitor's hands:

- You stop spending and go silent.
- Competitors keep spending and get louder.
- Silence is anything but golden!



3. When times are tough...You could trim your ad spend – but take care!

As the saying in DIY or manufacturing goes, 'measure twice, cut once' – similar applies in marketing...

Before you start cutting your media spend, make sure you double-check the importance of each channel and how your customer consumes it.

Not all stages of an integrated campaign deliver a measurable outcome.

Yet, if one seemingly unnecessary stage is removed, this could have a dramatic effect on campaign performance.

A little snip in the wrong place could have big consequences for your brand.

Advertising isn't just about lead generation.

And not all marketing is digital.

Different media is used at different stages within the sales cycle.

The end goal may be to get a digital response: a click-through, an email, but the media journey may start offline with a creative print ad.

Brand/product messages can be consumed, but they don't always result in a click-through.

Read on to find out what I mean...

An awareness of the actions of your competitors is vital.

If key competitors are cutting back their ad spend, and you maintain the same level, this will make yours more effective – increasing your share-of-voice.

More bang for your buck!

And, if you're still under pressure from the board, you could propose trimming back by X%.

Remember: As long you're spending more than your competitors, in the right place of course, you're going to be in a stronger position.

As far as budgets go...

*It's better to have 60% of something,
rather than 100% of nothing.*

Remember: The Media are not insulated from tough market conditions.

There are always deals to be struck as publishers fight each other for your budget.

You may get a series discount if you commit to a number of ad insertions up front.

You might be able to secure free editorial with your ad spend.

Or print ads with digital spend.

And if you fancy throwing a little caution to the wind, bear in mind that during tough times, advertisers can tend to pull their ads last-minute.

This often leaves publishers in a panic with a space to fill...a space you could fill.

Be the first to get offered a last-minute media deal, and save their blank space bacon.

And, you don't need to be a big fish, just one that can send copy at a moment's notice!

If you have held back a little budget 'for a rainy day' you could be able to secure a lot more bang for your buck – in additional advertising or editorial space.



4. When times are tough...sometimes you need to dim the lights

If business gets really tough and all other options have been exhausted, sometimes, you have no other option than to go unusually quiet – your ad spend has been taken away.

Remember: This short-term financial gain can result in long-term sales pain.

Zero brand communications and visibility across all media will result in a diminishing % share-of-voice – **check out Ebbinghaus!!**

Competitors stay active, albeit at a reduced level, and they will make significant gains in the mind of your customers.

If this situation is allowed to remain unchanged for a period of time, the cost of getting the brand back to where it was before will be a lot more than the short-term saving.

But all is not lost. While your paid-for media spend might have been frozen, hopefully your staffing resources are secure

And there's plenty of valuable activity that can be undertaken to ensure your business remains visible to your most valuable customers and your jobs remain protected.

With any luck, any freeze on your marketing spend is just temporary – and short-lived at that.

But keeping your brand front-of-mind can still be achieved.

Consider...

1. Activities that don't require a media budget.
2. Digital content that can be re-used, repurposed, redistributed.
3. Existing customers who can be reached with e-shots, newsletters and social media content – all produced in-house.
4. Journals with editorial space going singing – most publishers will run QUALITY editorial free of charge, especially if you're an existing advertiser. It's a *'you scratch their back; they'll scratch yours'* scenario.
5. Proven social media channels to communicate your brand message through – again, be ruthless in your choices. You don't have to be every where. Just where your customers are.
6. Evaluate which areas of your website are most visited / yielding results.
7. **Trade shows** to visit, network and connect with your customers.

Top tip: If you're committed to attend a trade show, make sure existing customers get a personal invitation to visit you on the stand or meet you in a networking zone.

Ensuring customers feel important is an essential part of retaining their business

And remember (my favourite saying): **People do business with people.**



NEED MORE STREET-WISE IDEAS ON HOW YOU CAN KEEP YOUR BRAND FRONT-OF-MIND ON A NOMINAL MARKETING BUDGET?

Get in touch – business and creative ideas is what we're all about!